

## FINANCE DEPARTMENT

The Finance Department provides financial services to the city administration in the most effective and efficient manner possible through the development and application of sound operating procedures and through the continued enhancement of the city's financial recording and reporting systems. This is accomplished by utilizing to maximum capacity the financial and personnel resources appropriated to the department.

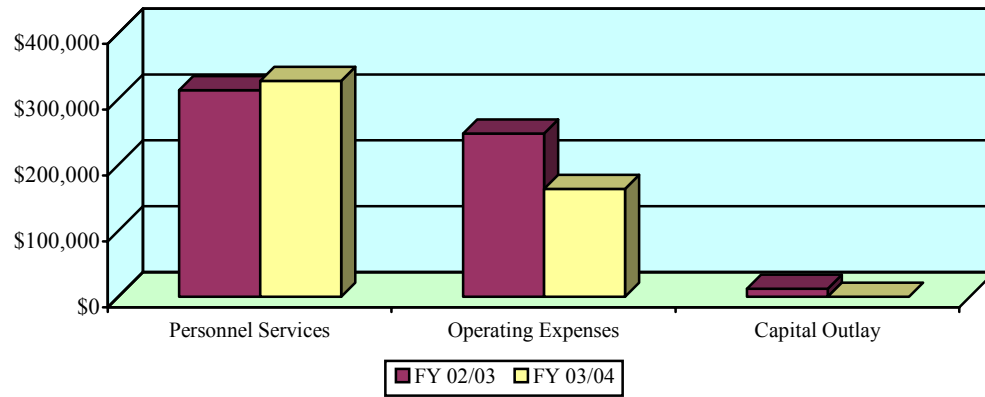
<b>Administration</b>	<b>Appropriation: \$ 490,800</b>
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The Administrative Office directs and supervises the daily activities of the functional programs, and works through the Governing Body and City Manager in establishing and implementing the city's fiscal policies to ensure the highest degree of financial responsibility and accountability. Through the various operating programs in the department, the Finance Director is responsible for providing financial, accounting, budgeting, purchasing and administrative services.

The General Fund operating budget for administration provides funding for salaries and benefits of the Department Director and three staff members; and general liability, fleet-physical damage and property insurance coverage for the entire department. The budget also includes \$75,000 for the audit contract and \$15,000 for payment of the property tax collection fee.

<u>POSITION/CLASSIFICATION</u>	<u>FY 02/03 ACTUAL</u>	<u>FY 03/04 BUDGET</u>
Department Director	1 – EX	1 – EX
Office Manager	1 – EX	1 – EX
Administrative Assistant	1 – CLFT	1 – CLFT
Cash Management & Investment Officer	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	4	4

## EXPENDITURE CLASSIFICATION



	FY 02/03 <u>REVISED</u>	FY 03/04 <u>APPROPRIATION</u>
Personnel Services	\$ 313,587	\$ 327,317
Operating Expenses	247,316	163,483
Capital Outlay	<u>12,345</u>	<u>0</u>
 TOTAL:	 \$ 573,248	 \$ 490,800

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## Budget

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Appropriation: \$ 250,400

The purpose of the Budget Office is to assist in the development and implementation of a financial plan that provides a basis for control by the Mayor and Council over municipal operations. The Budget Office is responsible for providing technical support to city departments in the development, preparation and implementation of the annual operating budget and midyear budget review.

### 2002/03 Operational Highlights:

- Enhanced the 2002/03 budget document and received the Distinguished Budget Presentation Award Certificate from the Government Finance Officers Association (September 2003).
- Continued to work with the Finance Committee to incorporate strategic planning and goal setting for development of FY2003/04 budget (March 2003).
- Streamlined forms required for departmental budget requests and reduced the amount of data transcription and verification required.
- Continued development of a stand-alone database system to provide enhanced reporting and data mining capabilities as well as improved time efficiency in developing budget publications and ad hoc reports.

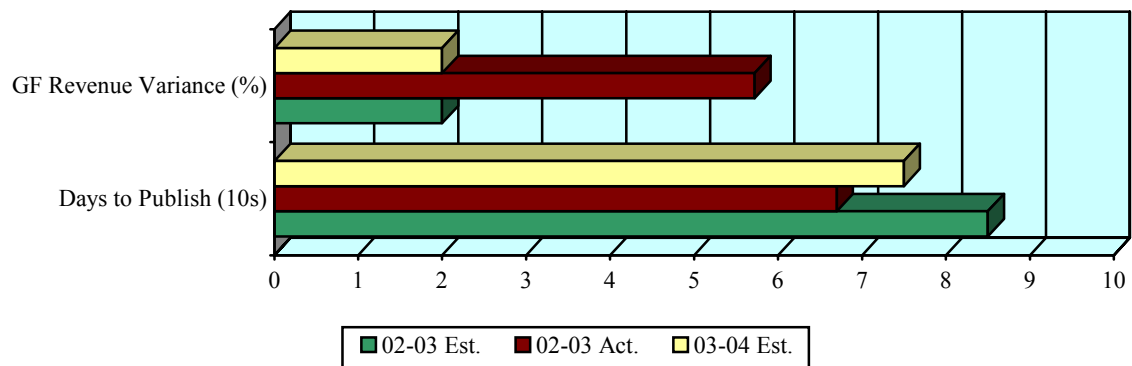
### 2003/04 Goals and Objectives:

- Produce a budget calendar, assist in preparing revenue and expenditure adjustments and coordinate presentation of the review to the governing body.
- Collect and consolidate budget policies, program measurements, and goals and objectives, and improve performance measurements produced in budget development in anticipation of strategic planning at the senior administrative and governing body levels.
- Develop budget forms, instructions and calendars while streamlining the budget process and including more comprehensive budget policy guidance in response to strategic planning initiatives.
- Continue to develop the database system for use in all aspects of the budget development process, particularly for personnel budgeting, thereby allowing for an improved work product in less time.

### Budget Commentary:

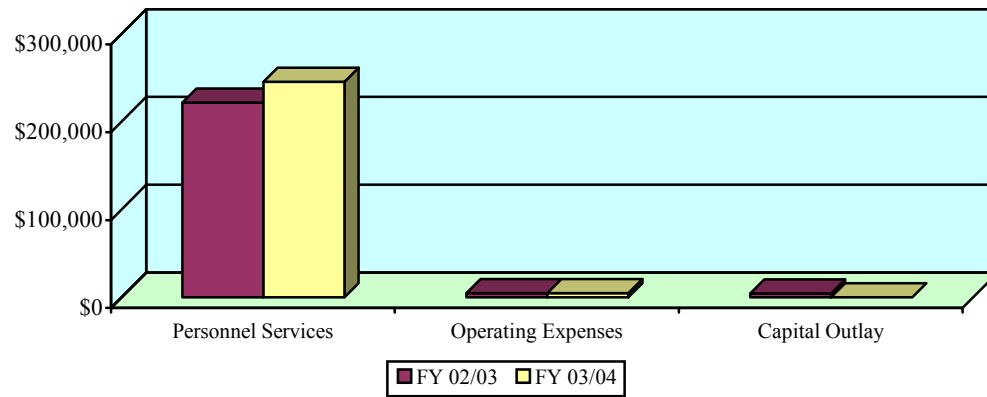
The General Fund provides funding for the salaries and benefits of the Budget Director and two staff members, and the costs associated with the production and printing of the annual operating budget document.

<u>Standard Program Measurements:</u>	<u>02/03 EST.</u>	<u>02/03 ACTUAL</u>	<u>03/04 EST.</u>
1. Percent variance between estimated General Fund revenue and actual	2.00%	5.72%	2.00%
2. Days between first quarter revisions and publication of budget book	85	67	75



<u>POSITION/CLASSIFICATION</u>	<u>FY 02/03 ACTUAL</u>	<u>FY 03/04 BUDGET</u>
Budget Division Director	1 – CLFT	1 – CLFT
Budget Analyst	2 – CLFT	1 – CLFT
Budget Database Analyst	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	4	3

## EXPENDITURE CLASSIFICATION



	FY 02/03 <u>REVISED</u>	FY 03/04 <u>APPROPRIATION</u>
Personnel Services	\$ 221,642	\$ 245,400
Operating Expenses	5,000	5,000
Capital Outlay	<u>4,605</u>	<u>0</u>
TOTAL:	\$ 231,247	\$ 250,400

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## Financial Management

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Appropriation: \$ 1,248,797

The purpose of the Financial Management Division is to maintain a financial reporting system that will adequately safeguard and account for the city's assets. Its primary function is to provide complete and accurate financial information in proper and timely form to the Governing Body, city administration and citizens of Santa Fe.

The Division Director provides direction and management to the cashier's office, payroll, accounts receivable, accounts payable, and accounting units. The Accounting office is responsible for the day-to-day upkeep of the city's general ledger accounting system, financial statement preparation and monitoring of grant budgets. Accounts Payable maintains effective control and timing over the disbursement of city funds. Payroll maintains accurate employee payroll records and processes payroll checks for over 1,800 employees. The Cashier's Office receives, controls, and accurately records all cash remittances made to the City. Accounts Receivable maintains accurate financial records of billings and payments owed the city, and ensures that all delinquent accounts are properly documented and collected.

### 2002/03 Operational Highlights:

- Increased collection of all accounts receivable.
- Successfully integrated and reconciled all modules of the online financial system.
- Completed the Comprehensive Annual Financial Report (CAFR) for FY 2001/02 four months earlier than the FY 2000/01 CAFR, and reduced major findings.
- Improved fixed assets reporting to eliminate audit findings.
- Implemented a new project accounting system.

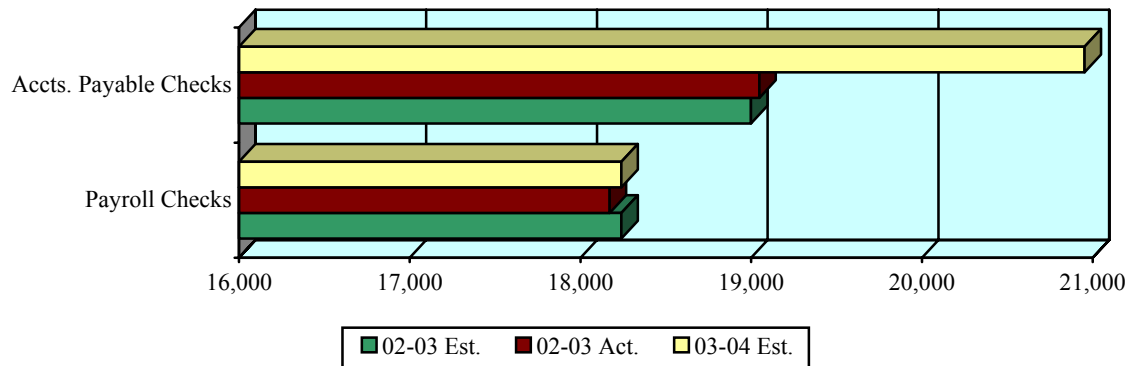
### 2003/04 Goals and Objectives:

- Provide the city management with continuous and accurate financial information.
- Collect and consolidate financial information, measurements, statistics, and accomplishments for the Comprehensive Annual Financial Report by December 1.
- Finalize the pending update for the city's financial procedures manual.
- Monitor expenditures and revenues according to federal and state rules and regulations.

### Budget Commentary:

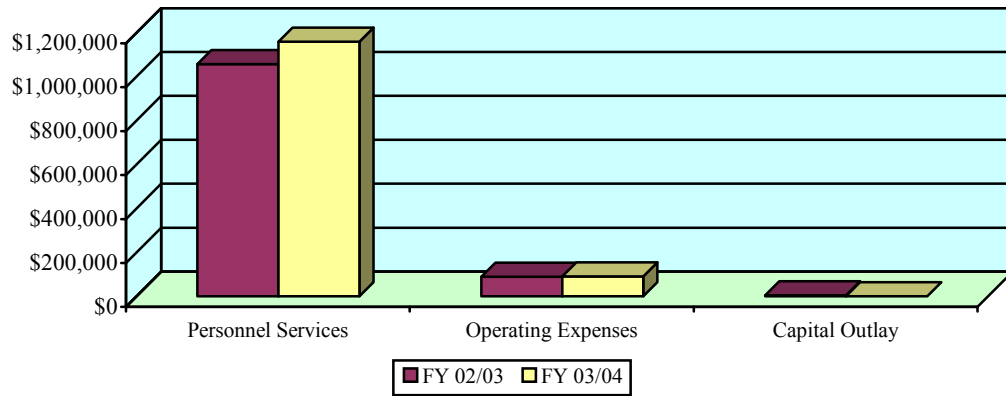
The General Fund appropriation of \$1,248,797 provides funding for staff salaries and benefits, and contractual services for printing of the financial manual. For FY 2003/04, the largest single category of expenses (after salaries and benefits) is professional services, wherein \$42,520 is budgeted for banking/fiscal agent services, payroll services, and printing/mailing of ambulance bills. Two additional positions were funded in the FY 2003/04 budget.

<u>Standard Program Measurements:</u>	<u>02/03</u> <u>EST.</u>	<u>02/03</u> <u>ACTUAL</u>	<u>03/04</u> <u>EST.</u>
1. Number of Accounts Payable checks issued	18,999	19,048	20,952
2. Number of Payroll checks issued	18,240	18,172	18,240
3. Number of ambulance billings	18,575	37,082	50,000
4. Business licenses/registrations issued	8,520	9,106	9,000



<u>POSITION/CLASSIFICATION</u>	<u>FY 02/03</u> <u>ACTUAL</u>	<u>FY 03/04</u> <u>BUDGET</u>
Financial Management Division Director	1 – CLFT	1 – CLFT
Senior Financial Analyst	1 – CLFT	1 – CLFT
Administrative Manager	0 – CLFT	1 – CLFT
Database Specialist	1 – CLFT	1 – CLFT
Payroll Technician	2 – CLFT	2 – CLFT
Account Technician	12 – CLFT	13 – CLFT
Accounting Supervisor	4 – CLFT	4 – CLFT
Accountant	1 – CLFT	1 – CLFT
Financial Analyst	3 – CLFT	2 – CLFT
Water Operations Accounting Supervisor	1 – CLFT	1 – CLFT
Special Funds Accountant	1 – CLFT	1 – CLFT
Financial Analyst	1 – TCF	1 – TCF
Special Funds Financial Analyst	<u>0</u> – CLFT	<u>1</u> – CLFT
TOTAL:	28	30

## EXPENDITURE CLASSIFICATION



	FY 02/03 <u>REVISED</u>	FY 03/04 <u>APPROPRIATION</u>
Personnel Services	\$ 1,056,229	\$ 1,158,312
Operating Expenses	89,460	90,485
Capital Outlay	<u>4,605</u>	<u>0</u>
TOTAL:	\$ 1,150,294	\$ 1,248,797



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## Utility Customer Service

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Appropriation: \$ 2,336,471

The Utility Customer Service Division is responsible for reading water meters; providing monthly utility bills; responding to customer questions, concerns, requests and problems; and collection of delinquent customer accounts. The division is also charged with providing complete and accurate financial data to the Governing Body, the Finance Director, the utility enterprise divisions and the citizens of Santa Fe. The division was created through a reorganization by the Finance Director in the 2002/03 fiscal year; the function previously existed as a section within the Financial Management Division.

The Utility Customer Service Division consists of four sections: Meter Reading, Billing, Customer Service, and Collections. All four sections work as a cohesive team to assure accurate meter reading, billing and customer service for over 33,000 utility accounts. The division works closely with the Water, Wastewater and Solid Waste Divisions to ensure that services are properly rendered, customer problems are addressed, and that all divisions are kept abreast of problems or potential problems with their systems, procedures or processes.

### 2002/03 Operational Highlights:

- Worked with the Utility Billing Task Force on an extensive effort to clean up the billing database, thereby ensuring that all customers were being billed properly and that mailing addresses were kept updated and correct.
- Began development of a comprehensive set of policies and procedures for the division.
- Implemented a new collections module and began collecting on delinquent accounts.
- Initiated the first stages of the Remote Meter Reading System pilot program.
- Implemented new water rate changes.
- Began process of purchasing and developing the Customer Service Call Monitoring System and associated customer service training.

### 2003/04 Goals and Objectives:

- Implement ordinance changes including Release of Liability; new refuse, sewer and storm water rate changes; new or revised schedules of charges, fees and penalties; and new forms, including an improved utility bill format.
- Begin using Dataprint Utility Bill CDs to review and reprint customer bills.
- Create a utility billing dispute resolution procedure and assign a hearing officer.

- Continue development and begin implementation of the Remote Meter Reading System and Customer Service Call Monitoring System.
- Develop a meter replacement program and a leak repair revolving loan program.
- Work with the Water Services Division on the Unaccounted Water Audit.
- Contract the services of a collections agency to assist in the collection of amounts due from delinquent customer accounts.
- Work with the Public Utilities Department and related agencies and stakeholders on new utility rate recommendations.

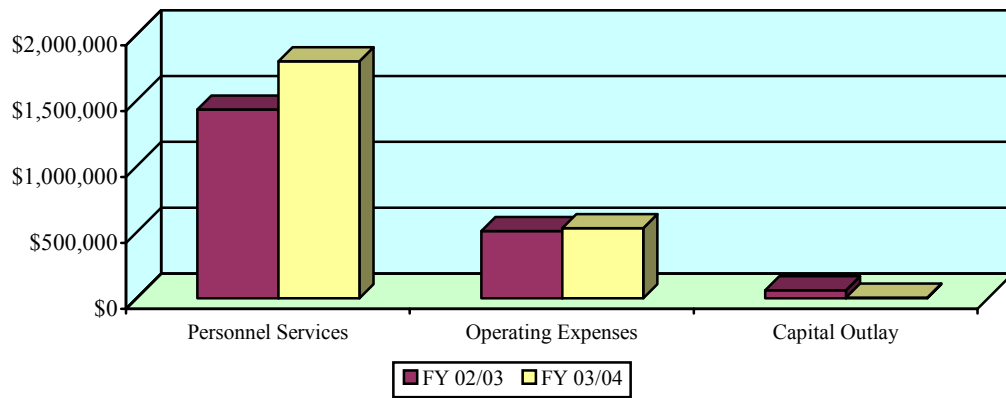
Budget Commentary:

The Division is supported by an appropriation of \$2,336,471 from the Utility Customer Service Fund (5205), which provides for meter reading activities, collection services for delinquent accounts, and printing services for refuse, sewer and ambulance billing statements.

A Division Director and a Utility Collections Investigator position were added in the FY 2003/04 budget process.

<u>POSITION/CLASSIFICATION</u>	<u>FY 02/03 ACTUAL</u>	<u>FY 03/04 BUDGET</u>
Utility Customer Service Division Director	0 – CLFT	1 – CLFT
Account Specialist	1 – CLFT	2 – CLFT
Account Technician	9 – CLFT	8 – CLFT
Accounting Supervisor	1 – CLFT	1 – CLFT
Administrative Manager	1 – CLFT	0 – CLFT
Clerk Typist	1 – CLFT	1 – CLFT
Collections Manager	1 – CLFT	1 – CLFT
Customer Service Manager	1 – CLFT	1 – CLFT
Database Specialist	2 – CLFT	2 – CLFT
Lead Meter Reader	1 – CLFT	1 – CLFT
Meter Reader	6 – CLFT	6 – CLFT
Meter Reading Supervisor	1 – CLFT	1 – CLFT
Utilities Ombudsman	1 – CLFT	1 – CLFT
Utility Collections Investigator	<u>0</u> – CLFT	<u>1</u> – CLFT
TOTAL:	26	27

## EXPENDITURE CLASSIFICATION



	FY 02/03 <u>REVISED</u>	FY 03/04 <u>APPROPRIATION</u>
Personnel Services	\$ 1,430,573	\$ 1,798,387
Operating Expenses	509,783	531,755
Capital Outlay	<u>62,100</u>	<u>6,329</u>
 TOTAL:	 \$ 2,002,456	 \$ 2,336,471

Purchasing is charged with the responsibility for procuring all materials, goods and services for city departments. Purchasing enforces and ensures compliance with federal and state laws and regulations, city procurement regulations, and city fixed assets reporting and procedure requirements. The division also reviews, authorizes and processes all purchase requisitions and requests for bids and proposals; maintains the city's inventories; operates the motor pool; and disposes of surplus assets.

2002/03 Operational Highlights:

- Continued to implement Phase II of the Governmental Accounting Standards Board Statement (GASB) #34 requiring municipalities to capitalize infrastructure in the fiscal year beginning after June 15, 2001.
- Capitalized and depreciated new regional dispatch agency equipment as the City's fiscal agent.
- Continued to work with and improve the online fixed asset and inventory system to ensure efficiency and effectiveness in division operations.

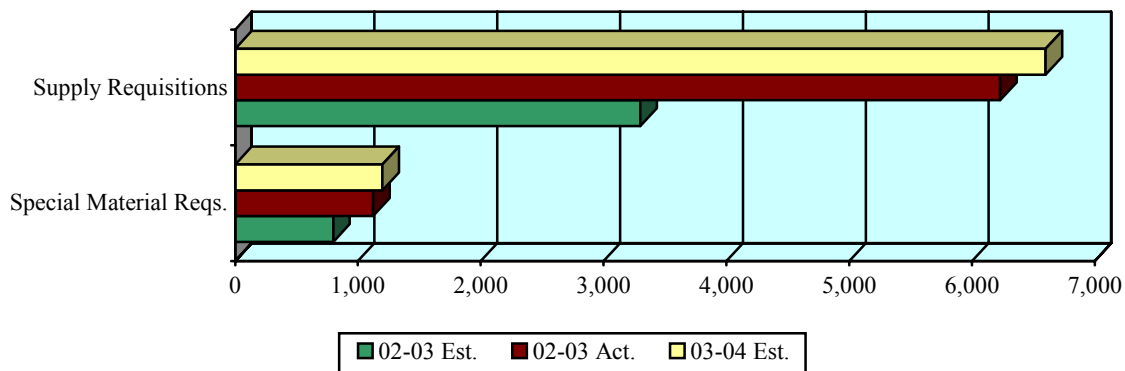
2003/04 Goals and Objectives:

- Update and reprint the City Purchasing Manual to incorporate design/build considerations, revised local preferences, revised debarment processes, and other areas of clarification.
- Process all requisitions, bids and proposals in the most professional manner, processing in such a way as to maximize the competitive nature and fairness of each.
- Standardize bid and proposal documents.
- Maintain warehouse functions in an efficient, cost-effective manner.

Budget Commentary:

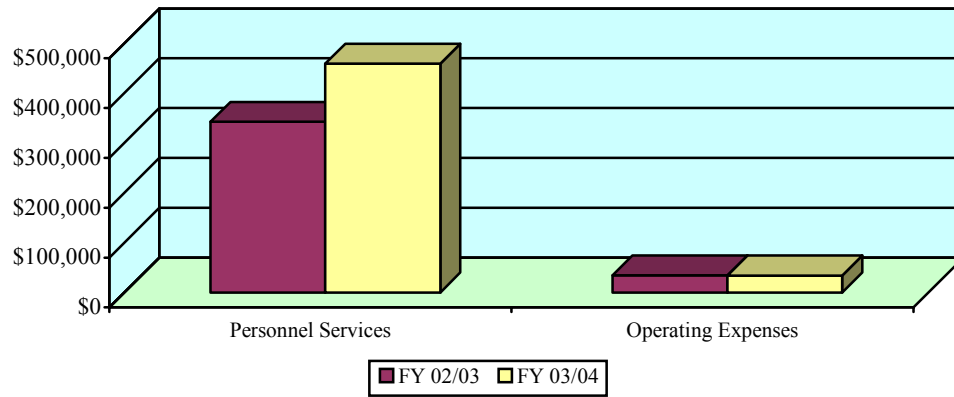
The FY 2003/04 operating budget is supported by the General Fund and provides funding for salaries and benefits for 11 staff members. Also included are the operating expenses for the division and equipment necessary for division operations.

<u>Standard Program Measurements:</u>	<u>02/03 EST.</u>	<u>02/03 ACTUAL</u>	<u>03/04 EST.</u>
1. Number of purchase orders processed	14,500	13,500	14,000
2. Number of supply requisitions processed	3,300	6,230	6,600
4. Special material requisitions	800	1,125	1,200
5. Number of requests for bids and proposals	100	97	105



<u>POSITION/CLASSIFICATION</u>	<u>FY 02/03 ACTUAL</u>	<u>FY 03/04 BUDGET</u>
Purchasing Officer	1 – CLFT	1 – CLFT
Administrative Assistant	1 – CLFT	1 – CLFT
Account Technician	2 – CLFT	2 – CLFT
Accounting Supervisor	1 – CLFT	1 – CLFT
Database Specialist	1 – CLFT	1 – CLFT
Supply/Inventory Technician	<u>5</u> – CLFT	<u>5</u> – CLFT
TOTAL:	11	11

## EXPENDITURE CLASSIFICATION



	FY 02/03 <u>REVISED</u>	FY 03/04 <u>APPROPRIATION</u>
Personnel Services	\$ 342,238	\$ 459,066
Operating Expenses	<u>34,250</u>	<u>34,000</u>
 TOTAL:	 \$ 376,488	 \$ 493,066

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## Capital Equipment Reserve

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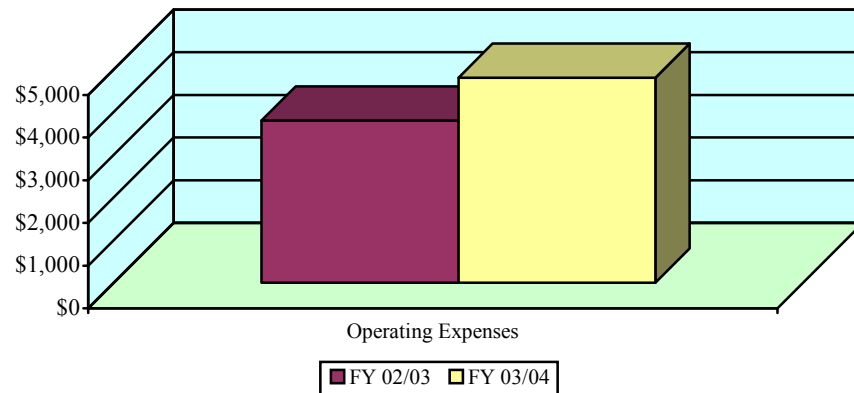
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Appropriation: \$ 4,800

The Purchasing Office conducts an annual auction to dispose of surplus assets that are antiquated, obsolete or damaged. Operating costs incurred for the sale of fixed assets are paid from the Capital Equipment Reserve Fund. Following deposit of the auction proceeds, a distribution is made to each participating fund, with the General Fund portion remaining in this fund.

In FY 2003/04, the operating budget includes \$4,800 for auction-related expenses.

### EXPENDITURE CLASSIFICATION



	FY 02/03 REVISED	FY 03/04 APPROPRIATION
Operating Expenses	\$ 3,800	4,800
TOTAL:	\$ 3,800	\$ 4,800